GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3039
ANSWERED ON:16.03.2001
TAKE OVER OF MULTINATIONAL COMPANIES
M.V.V.S MURTHI;SHIVAJI MANE

Will the Minister of FINANCE be pleased to state:

(a) whether financial institutions are funding take over plans of multinational companies;

(b) if so, the reasons and details in this regard;

(c) whether any guidelines issued by the Government in this regard; and

(d) if so, the details in this regard?

Answer

Minister of State in the Ministry of Finance (Balasaheb Vikhe Patil)

(a)&(b): Since 1991, there have been 1479 cases of foreign companies approaching the Government for increase in the equity in existing Indian companies. Proposals are approved as per Government guidelines. No takeover plans of the MNCs are funded by financial institutions incorporated in India.

(c)&(d): Government guidelines indicate that foreign owned holding companies would have to bring in funds from abroad and not leverage funds from domestic market. The guidelines do not preclude downstream operating companies to raise debt in the domestic market.